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RUEHBJ/AMEMBASSY BEIJING PRIORITY 1517
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SUBJECT: TURKMENISTAN'S ETREK DISTRICT: WAITING FOR
DEVELOPMENT

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) SUMMARY: Burdened by an isolated location, poor roads and years of neglect from the center, Turkmenistan's Etrek District, located in western Turkmenistan on the border with Iran, has experienced little economic development in recent years. What it does have going for it is the only official border crossing west of Ashgabat. Residents and the district's leadership are hoping that the Kazakhstan-to-Iran railway currently under construction, which is planned to cross the border at Etrek, will bring new and better transportation. They also hope it will help to stimulate the district's economy, which currently is based primarily on livestock production. In the meantime, the president's new rural development program is offering at least limited funds for infrastructure development -- building a new school, laying new water pipes and establishing a new gas station. Apparently, however, there are no plans in the works for quick fixes to the broken roads that are at the heart of the district's isolation. END SUMMARY.

AN ISOLATED LIVESTOCK CENTER

¶3. (U) Turkmenistan's isolated Etrek District is located on the border with Iran in Balkan Province, in western Turkmenistan. Production of livestock (cattle, sheep and camels) accounts for 57% of the economy of this desert district, which can be reached only after hours of driving on bad-to-awful roads that are almost impassible when wet. Here and there, isolated fields of wheat that could be irrigated with water from the Etrek River on the border seemed to be growing well. Some small groves of olive trees and pomegranate trees decorate the landscape close to the district center, also named Etrek. Deputy Premier for Oil and Gas Tachberdi Tagiyev comes from Etrek. Nevertheless, the district has no known hydrocarbon reserves.

¶4. (SBU) During an April 24 meeting, Etrek district head Nurmurad Niyazmyradov, a livestock specialist from the neighboring district of Esenguly and a five-year veteran in

his position, offered EmbOff an improbably upbeat briefing on his district. The district routinely exceeds production plans for livestock, wheat and cotton, even though it suffers from lack of rain. While young people receive a good education, few choose to leave the district for the provincial capital, Balkanabat, or Ashgabat -- the two largest cities closest to Etrek. (NOTE: Actually, EmbOff saw few young people -- especially young men -- walking or driving around town, suggesting that many may be spending weekdays working in larger cities. END NOTE.) Although Niyazmyradov claimed that banks in his district were following the president's order to offer rural residents loans for new houses, there was no evidence of new housing construction anywhere in Etrek. He said the only new housing that she had seen while driving to Etrek (some with fancy cars parked outside) was financed privately, rather than through government loans. In addition, all the district's residents are prospering due to Turkmenistan's increasing meat prices (possibly true, since most of the livestock EmbOff saw was free-range, rather than grain-fed), and there is no problem with drug addiction, despite the district's proximity to Iran. In fact, he added, most of those going back and forth across the border have family on the other side. Etrek's -- and Turkmenistan's -- relations with Iran are friendly and neighborly, and there have been no problems with any of the Iranian visitors.

WE NOW HAVE A BRIGHT FUTURE

15. (SBU) When embOff asked whether President Niyazov's rural development plan had affected Etrek, Niyazmyradov responded proudly, "We now have a bright future!" He outlined some on-going projects, including a new school and new mosque that either have been built or are in the planning stage. In

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addition, the government is working on laying new water pipes from the Etrek River. Once the pipes have been laid, the city will hook them up to state-of-the-art water purification equipment which will offer residents access to free-of-charge potable water. He added the Kazakhstan-to-Iran rail line is supposed to cross the border at Etrek. The otherwise isolated town is just waiting for the railroad to arrive. The government, he added, is also talking about building an "international highway" from Iran through Etrek that will open the district and its products to the world. Once that happens, Etrek hopes to become a popular holiday location, since it can offer clean air and a down-home living experience, complete with traditional Turkmen yurts and camels. The mayor -- who accompanied EmbOff on all of her other activities while she was in town -- also took her to the town's new gas station, which replaced a 1940's-era single-pump facility. "We did this ourselves, and we did it to international standards. And there was no need to bring in fancy outside construction companies to do this for us."

A STATE-OF-THE-ART BORDER-CROSSING STATION

16. (SBU) Etrek contains the only official border crossing point between Turkmenistan and Iran west of Ashgabat. The road leading to the border-crossing facility there -- funded by the United States and built by the Nevada National Guard -- is a potholed dirt-and-gravel strip of dubious quality. Eighteen months after its opening, the facility remains in pristine condition. Unfortunately, because Niyazmyradov was two hours late for his meeting with EmbOff, the two arrived at the border-crossing facility at 5:30 pm -- well after the facility's 4:00 pm closure. Therefore, EmbOff was unable to observe officials processing the approximately 300 people per day (about 150 individuals in each direction) that the facility reportedly handles.

17. (SBU) Under Niyazmyradov's gimlet eye, the director of the facility, too, denied that there were any problems with the visitors from the other side. At first he acknowledged that some of the visitors had been caught with small

quantities of opium -- enough for personal use only. However, after a glare from Niyazmyradov, he backed down, adding, "No, actually there have been no drugs at all. We have no problems with narcotics." He then hastily changed the subject, stating how well everything in the building works and thanking the United States for the facility. When EmbOff asked whether the facility was hooked up to the Internet, the director said no, but he was expecting to get broadband access in September, once the government finishes laying a fiber optic line.

OLIVE OIL FACTORY OWNER DREAMS OF GOING INTERNATIONAL

18. (SBU) Although Niyazmyradov played up Etrek's cottage carpet industry ("our girls here know how to weave"), there is little industry in Etrek. The one "factory" is an olive oil facility established by an alumnus of USDA's Cochran program with assistance from USAID and Winrock. Located in a now-defunct former tomato-processing facility, the "factory" contains a single block of Italian oil-pressing machinery. During production months -- November to March -- it employs four individuals. The rest of the time, the equipment stays covered and at rest, waiting for the next harvest. The manager stated that his dream is to take his sales international. He showed EmbOff a price brochure from a California-based gourmet olive oil producer, and stressed the high prices that olive oil can get on the international market. First, however, he needs to expand his facility, but that will require both more olive groves and better roads. For now, he is selling his product primarily in markets in Ashgabat and Balkanabat, Balkan's provincial capital.

19. (SBU) COMMENT: Clearly, Etrek, like many rural districts, was allowed to languish under former President

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Niyazov. While President Berdimuhamedov's rural development program is finally giving isolated communities a break, Etrek has no prospects soon of getting more than minimal funds, since oil-rich Balkan province is getting less money than Turkmenistan's other provinces. Neighboring Esenguly District -- the designated development focal point -- is soaking up most of those funds. So, for now, Etrek's best hope may be the new Kazakhstan-to-Iran railroad. In the meantime, however, Etrek, suffering from its lack of good roads and resulting isolation, continues to live a hard, half-existence. END COMMENT.
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